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State of Nebraska and to the boys and girls \$15 million, which at least will help them get across the inflation the last couple years without asking the property tax owners to submit to a rather large increase in mill levies for the forthcoming year. If there are any questions I would be more than happy to answer them. If I can't answer them, I'm sure Senator Duis can or Senator Warner who probably is the man most knowledgeable on this floor when it comes to state aid.

PRESIDENT: Senator Burrows.

SENATOR BURROWS: Mr. President, members of the Legislature, I have a great deal reservations on this bill. We're spending \$15 million. The main argument I think that's been presented has been that it is for property tax relief. Now I would like to refer to the Nebraska Journal of Economics and Business, which I passed on every desk. I find one university study which shows what I've been suspicious of a great deal of times. For every one dollar of additional state aid, ADM, per pupil that one dollar and ninety-two cents was spent by the class two school districts. I realize the impact was different in class three school districts. But to use the universal argument that it was reducing property tax when that school spent \$1.92 for each additional dollar of state aid, we were spending more for education. There's no question of that. The requirements that came down, and the strings attached caused that school district to spend more money rather than to reduce the mill levy. For class two school districts I think this study shows definitely that argument is on the contrary, that they increased the spending and spent even more with the state aid then they would have spent on the base of property tax without it. On this basis I certainly can't, in this year of tight budget when we're coming up and going to trigger more sales tax, justify pumping another \$15 million under these formula's which do not necessarily reflect equity from district to district into the state aid funding which will not assure any reduction on the property tax levy. Thank you.

PRESIDENT: Senator Frank Lewis.

SENATOR F. LEWIS: Mr. Chairman, for those that have been here a long time this was an old issue when I got here. It's an old issue every year. The simple facts of life are that Nebraska is more dependent on property in regard to percapita income than almost every other state with one or two exceptions. Trying to deal with the problems is unique in this state because of the diversity of the school districts in size, types, and locations. The formula that Senator Koch and Senator Duis proposed, I certainly support it, is one that has been negotiated and compromised out over many years here by many members of the body. As local costs go up, and they are going to go up just like our cost is going to go up. Our budget will be 10, 11, 12 percent higher this year, regardless of our frugality. There's only one place to get that additional source of revenue and that's at the local property tax. It is at an alarming